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Tax Liabilities in Texas, Florida, and Nevada for LLCs and S-Corporations

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You asked for information on tax levies for certain types of businesses in the states of Texas, Florida, and Nevada. You were also interested in exemptions or exclusions from such taxes for small businesses.

Texas, Florida, and Nevada impose taxes on limited liabilities companies (LLCs), and Texas and Nevada impose taxes on S-corporations, but each state has a different name for the taxes that apply to these types of businesses. Texas has a type of gross receipts tax called a franchise tax. Florida has a corporate income tax with a flat rate of 5.5%. Nevada taxes businesses through a commerce tax. Small businesses can be excluded from these taxation regimes if their revenues fall under specified thresholds.

Tax Liabilities for LLCs and S-Corps

State	Applicable Tax	Tax Rate	Exemptions
Texas	Franchise Tax	0.331 – 0.75%	Total revenue \$2.47 million or less
Florida	Corporate Income Tax	5.5%	Total net income \$50,000 or less
Nevada	Commerce Tax	0.051 – 0.331%	Total gross revenue under \$4 million

Texas

Texas's [franchise tax](#) is a levy on gross receipts for entities either formed or doing business in the state. The tax rate is based on the entity's margin, calculated in one of the following ways:

- total revenue times 70%;
- total revenue minus cost of goods sold;
- total revenue minus compensation; or
- total revenue minus \$1 million.

The [rate](#) for retail or wholesale companies is 0.375%, and 0.75% for non-retail or wholesale companies. Entities with revenues under \$20 million for 2024 and 2025 qualify for a reduced rate of 0.331% through the state's "EZ Computation" tax filing system.

The state levies *additional taxes* on specific kinds of businesses, including: crude oil sales, gas and oil well servicing, alcohol and tobacco sales, oyster sales, and sexually oriented entertainment venues, among others.

There are *franchise tax credits* available, and there is a “no tax due threshold,” that changes each year. For 2024 and 2025, it applies to businesses whose total annualized revenue is less than or equal to \$2,470,000.

Florida

Florida imposes an *income tax of 5.5%* on all corporations “conducting business, deriving income, or existing” in the state. However, it only applies to S-corporations that are required to pay federal income tax on recaptured investment credits (recorded on Line 23c of Federal Form 1120S). *Additional taxes* include: a *severance tax* imposed on entities extracting oil, gas, and minerals from the state; a gross receipts tax on *dry cleaning* and *utility* services; and a *communication services tax* on the sale of communication services like television, telephone, or streaming.

The Florida Department of Revenue offers a variety of *corporate income tax incentives* (credits). Business entities can apply a \$50,000 exemption to their net income; anything above that is taxed at the 5.5% rate.

Nevada

Nevada imposes a *commerce tax* on businesses with state gross revenues exceeding \$4 million per fiscal year. The commerce *tax rate varies* from 0.051% - 0.331%. The lowest rates apply to mining, oil and gas, agriculture, fishing and hunting industries; the highest rates apply to ground transportation, education, and waste management sectors. There are *additional taxes* imposed on specific industries such as mining, entertainment, and real estate.

Beginning in the 2018 – 2019 tax year, businesses with taxable revenue of \$4 million or less are not required to file a commerce tax return.

We hope this is helpful. If you have questions or need additional information, please let us know.